

Capital Properties, Inc.

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PRESS RELEASE

July 29, 2016

Capital Properties, Inc. Announces Second Quarter 2016 Results

FOR IMMEDIATE RELEASE

East Providence, Rhode Island: Today, Capital Properties, Inc. (OTCQX: CPTP) reported net income of \$583,000 and \$1,118,000 for the three and six months ended June 30, 2016. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods was \$.09 and \$.17, respectively. For the three and six months ended June 30, 2015, the Company had reported net income of \$574,000 and \$974,000, respectively. Based upon 6,599,912 shares outstanding, the basic income per common share for the same periods in 2015 was \$.09 and \$.15, respectively.

For the three and six months ended June 30, 2016, leasing revenue increased \$33,000 and \$104,000, respectively, from 2015 due to scheduled increases in rents under both short-term and long-term land leases, offset in part by a decrease in 2016 in the percentage rent under the lease with Lamar Outdoor Advertising, LLC. For the three and six months ended June 30, 2016, leasing expense decreased \$6,000 and \$17,000, respectively, from 2015 due to an decrease in repairs and maintenance at the Steeple Street Building, offset in part by an increase in the City of Providence real estate taxes..

For the three and six months ended June 30, 2016, petroleum storage facility revenue increased \$10,000 and \$17,000, respectively, from 2015 due to a scheduled cost-of-living rent adjustment under the Agreement with Sprague Operating Resources LLC. For the three and six months ended June 30, 2016, petroleum storage facility expense decreased \$33,000 and \$138,000, respectively, from 2015 due to lower depreciation expense due to certain assets becoming fully depreciated in 2015 and a decrease in insurance premiums.

For the three and six months ended June 30, 2016, general and administrative expense increased \$78,000 and \$74,000, respectively, from 2015 due to an increase in legal fees and costs associated with the Company's partial redemption payment on its dividend notes.

For the three and six months ended June 30, 2016, the interest expense, dividend notes was \$166,000 and \$313,000, respectively. For the three and six months ended June 30, 2015, the interest expense, dividend notes was \$147,000 and \$295,000, respectively. In November 2015, the Company paid the bank loan in full. The interest expense, bank loan for the three and six months ended June 30, 2015, was \$23,000 and \$48,000, respectively.

PRESS RELEASE (Continued)

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Financial Summary

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:				
Leasing	\$ 1,367,000	\$ 1,334,000	\$ 2,618,000	\$ 2,514,000
Petroleum storage facility	<u>890,000</u>	<u>880,000</u>	<u>1,772,000</u>	<u>1,755,000</u>
Total revenues	<u>2,257,000</u>	<u>2,214,000</u>	<u>4,390,000</u>	<u>4,269,000</u>
Expenses:				
Leasing	215,000	221,000	429,000	446,000
Petroleum storage facility	588,000	621,000	1,166,000	1,304,000
General and administrative	331,000	253,000	647,000	573,000
Interest on notes:				
Bank loan	--	23,000	--	48,000
Dividend notes	<u>166,000</u>	<u>147,000</u>	<u>313,000</u>	<u>295,000</u>
	<u>1,300,000</u>	<u>1,265,000</u>	<u>2,555,000</u>	<u>2,666,000</u>
Income before income taxes	<u>\$ 957,000</u>	<u>\$ 949,000</u>	<u>\$ 1,835,000</u>	<u>\$ 1,603,000</u>
Net income	<u>\$ 583,000</u>	<u>\$ 574,000</u>	<u>\$ 1,118,000</u>	<u>\$ 974,000</u>
Basic income per common share, based upon 6,599,912 shares outstanding	<u>\$.09</u>	<u>\$.09</u>	<u>\$.17</u>	<u>\$.15</u>

Capital Properties, Inc. and its subsidiaries operate in two segments: (1) Leasing and (2) Petroleum Storage. The leasing segment consists of the long-term leasing of certain of its real estate interests in downtown Providence, Rhode Island for commercial development, the leasing of a portion of a building and the leasing of locations along interstate and primary highways in Rhode Island and Massachusetts for outdoor advertising purposes. The petroleum storage segment consists of the petroleum storage terminal and the Wilkesbarre Pier in East Providence, Rhode Island, collectively referred to as the "Facility," which the Company operates for the tenant of the Facility.

Certain written statements made in this press release may contain "forward-looking statements" which represent the Company's expectations or beliefs concerning future events. Certain risks, uncertainties and other important factors are detailed in reports filed by the Company with the Securities and Exchange Commission, including Forms 8-K, 10-K and 10-Q. The Company cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements.

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